



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Public Hearing to Consider Resolution Adopting Engineer's Report, Confirming Assessments, Overruling Protests and Declaring Assessment Ballot Results and Annexing Territory into the Lodi Consolidated Landscape Maintenance Assessment District 2003-1 and Forming Luca Place Zone 14, Guild Avenue Industrial Zone 15 and West Kettleman Lane Commercial Zone 16

MEETING DATE: May 7, 2008

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Conduct a public hearing to consider a resolution for the following:

1. Adopting the Engineer's Report
2. Confirming assessments
3. Overruling protests and declaring assessment ballot results
4. Annexing territory into the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 and forming Luca Place Zone 14, Guild Avenue Industrial Zone 15 and West Kettleman Lane Commercial Zone 16

BACKGROUND INFORMATION: On April 2, 2008, the City Council adopted the following resolutions regarding the formation of Zones 14, 15 and 16 of the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1.

1. Resolution of Preliminary Approval of the Engineer's Report Regarding the Proposed Annexation of Territory into the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 and the Levy and Collection of Assessments for Fiscal Year 2008/09
2. Resolution Declaring Intention to Annex Territory into Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 and to Provide for the Levy and Collection of Assessments in Such Annexation, Setting a Time and Place for Public Hearing Thereon and Ordering the Initiation of Assessment Ballot Procedures
3. Resolution Initiating Proceedings for the Annexation of Territory into the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 and the Levy and Collection of Assessments for Certain Zones for Fiscal Year 2008/09

Ballots have been mailed to the existing property owners to comply with Proposition 218 requirements. The ballots will be tabulated and the results will be announced at the conclusion of the Public Hearing. In order for the assessment to be successful under Proposition 218 requirements, a majority of the landowners who vote (calculated in terms of dollars of assessment) must vote in favor of the proposals. If a majority vote is not received, the district will not be formed.

APPROVED: _____
Blair King, City Manager

As required as a condition of development, the developers of the residential subdivision, Luca Place (APN 027-420-09), located on the east side of Westgate Drive, north of Kettleman Lane; the industrial developments located at 1390 and 1399 East Turner Road (APN 049-080-81 and 049-080-82), 955 North Guild Avenue (APN 049-080-74) and 1518 East Victor Road (APN 049-340-38); and the commercial office developments located at 1750 and 1811 West Kettleman Lane (APN 031-330-10 and 058-160-86) have elected to annex to the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 (District) for the purpose of maintaining and/or replacing certain public improvements that have been or are to be installed in conjunction with or for the benefit of those projects. The Engineer's Report for the proposed annexations, prepared by NBS of Temecula and attached as Exhibit 1, presents a description of the projects, defines the areas, describes the improvements to be maintained and provides a cost estimate of the First Year Estimated Assessment and sets the Maximum Annual Assessment amount for each zone.

Zone 14

Luca Place Zone 14 (Exhibit 2) is comprised of a single lot bounded by the Vintner's Square shopping center to the north, south and east and Westgate Drive to the west that is expected to subdivide subsequent to the formation of the assessment district into 17 medium-density residential lots.

Zone 15

Guild Avenue Industrial Zone 15 is comprised of four industrial zoned parcels, two located on West Turner Road at the intersection with North Guild Avenue, one located on North Guild Avenue and one located on Victor Road, east of North Guild Avenue. Zone 15 is the second annexation within the defined Area of Benefit, Exhibit 3. Zone 13 was the first zone annexed on April 7, 2007. Zone 15 receives 6.27% of the benefit (Attachment 1) from the public improvements and will, therefore, provide 6.27% of the funding for the maintenance of those improvements. Until such time that the balance of the parcels within the Area of Benefit are annexed, the City will be responsible for the balance of the funding for maintenance.

Zone 16

West Kettleman Lane Commercial Zone 16 is comprised of two commercial office parcels located on West Kettleman Lane, west of Lakeshore Drive and east of Mills Avenue. Zone 16 is the first annexation that will occur within the defined Area of Benefit, Exhibit 4. Zone 16 receives 1.24% of the benefit (Attachment 2) from the public improvements and will, therefore, provide 1.24% of the funding for the maintenance of those improvements. Until such time that the balance of the parcels within the Area of Benefit are annexed, the City will be responsible for the balance of the funding for maintenance.

The total number of lots in the three zones proposed to be annexed into the assessment district is 23. The proposed assessment roll for each Zone is set forth in Exhibit 1.

Election ballots were distributed to the owners of record as of the date of ballot preparation. Voting is based upon acres and simple majority vote is required to form the district.

The First Year Assessment will be added to the tax roll for Fiscal Year 2008/09 and the first revenues from the district will be received in December 2008. The maximum annual assessment is subject to yearly cost adjustment based on the greater of either 5% or the percentage increase of the Local Consumer Price Index. Subsequent annual assessments will be based on contract bid prices and actual costs, plus the Engineer's Report schedule of replacement costs.

FISCAL IMPACT: The purpose of the District is to collect funds to offset the fiscal impact of the maintenance and replacement of certain public improvements benefiting to each development.

FUNDING AVAILABLE: All costs will be paid by applicant fees and reimbursement from funds collected through the assessment district.

F. Wally Sandelin
Public Works Director

Prepared by Sharon A. Welch, Senior Civil Engineer

FWS/SAW/pmf

Attachments

cc: Sharon Welch, Senior Civil Engineer
Curt Juran, Assistant Streets and Drainage Manager
NBS

City of Lodi

**Lodi Consolidated Landscape
Maintenance District No. 2003-1**

**ZONE 14 – LUCA PLACE
ZONE 15 – GUILD AVENUE INDUSTRIAL
ZONE 16 – WEST KETTLEMAN LANE COMMERCIAL**

2008/09 Preliminary Engineer's Report

April 2008

Prepared by

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1. ENGINEER'S LETTER

WHEREAS, on April 2, 2008, the City Council of the City of Lodi (the "City"), State of California, directed NBS Government Finance Group, DBA NBS ("NBS") to prepare and file a report presenting plans and specifications describing the general nature, location and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operations and servicing of the improvements for the City of Lodi Consolidated Landscape Maintenance District No. 2003-1 (the "District"), Zones 14 – 16 (the "Annexation") for Fiscal Year 2008/09. The report includes a diagram(s) for the Annexation, showing the area and properties proposed to be assessed, an assessment of the estimated costs of the maintenance, operations and servicing the improvements, and the net amount upon all assessable lots and/or parcels within the Annexation in proportion to the special benefit received;

NOW THEREFORE, the following assessment is made to cover the portion of the estimated costs of maintenance, operation and servicing of said improvements to be paid by the assessable real property within the Annexation in proportion to the special benefit received:

SUMMARY OF ASSESSMENT

Description	2008/09 Assessment	Maximum Assessment	As Confirmed by Council
Luca Place - Zone 14 Levy	\$2,936.24	\$4,997.00	
Zone 14 Equivalent Units	17.00	17.00	
Assessment Per Equivalent Unit	\$ 172.72	\$ 293.94	
Guild Avenue Industrial – Zone 15 Levy	\$466.22	\$3,719.08	
Zone 15 Equivalent Units	36.652	36.652	
Assessment Per Equivalent Unit	\$ 12.72	\$ 101.47	
West Kettleman Commercial - Zone 16 Levy	\$264.84	\$311.52	
Zone 16 Equivalent Units	8.365	8.365	
Assessment Per Equivalent Unit	\$ 31.66	\$ 37.24	

I, the undersigned, respectfully submit the enclosed Engineer's Report and, to the best of my knowledge, information and belief, the Engineer's Report, Assessments, and the Assessment Diagram herein have been prepared and computed in accordance with the order of the City Council of the City of Lodi.

Wally Sandelin, P.E., Engineer of Work

Date: _____

Seal

2. OVERVIEW

2.1 Introduction

The City of Lodi ("City") proposes to levy special benefit assessments for the Lodi Consolidated Landscape Maintenance District No. 2003-1 ("District") for Fiscal Year 2008/09. The City currently has consolidated thirteen landscape maintenance districts into a single district, the "Lodi Consolidated Landscape Maintenance District No. 2003-1". In response to the provisions of the California Constitution Article XIIC and XIID (Proposition 218), in 2003 a separate Engineer's Report was prepared for each of the first two Zones (Zones 1 and 2) of the Lodi Consolidated Landscape Maintenance District. The City conducted property owner assessment ballot proceedings for the assessments in Fiscal Year 2004/05. After approval of the assessment by the property owners, the City began to levy and collect special assessments on the County tax rolls to provide continued funding for the costs and expenses required for maintenance of the improvements within the District. In 2004 a separate Engineer's Report was prepared for each of the next five Zones (Zones 3 thru 7) of the Lodi Consolidated Landscape Maintenance District. The City conducted property owner assessment ballot proceedings for Zones 3 and 4 for the assessments in Fiscal Year 2004/05 and in Fiscal Year 2005/06 for Zones 5 through 7. During Fiscal Year 2006/07, the City conducted property owner assessment ballot proceedings for the annexation of Zones 8 through 12 into the District. For Fiscal Year 2007/08, the City conducted property owner assessment ballot proceedings for the annexation of Zone 13 into the District.

This Engineer's Report ("Report") describes the proposed annexation (the "Annexation") of Zones 14 through 16 into the District and assessments to be levied against properties within the Annexation for Fiscal Year 2008/09. The assessments described herein are based on the estimated cost to operate service and maintain improvements that will provide a direct and special benefit to properties within the Annexation. All improvements to be operated, serviced and maintained through annual assessments were or will be constructed and installed in connection with the development or for the benefit of these properties. The annual costs and assessments described herein include all estimated direct expenditures, incidental expenses, deficits, surpluses, revenues and reserves associated with the maintenance and servicing of the improvements.

After approval of the assessment by the property owners, the City will levy and collect special assessments on the County tax rolls to provide continued funding for the costs and expenses required for maintenance of the improvements within the District. The District is levied pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the Act), and in compliance with the substantive and procedural requirements of the California Constitution Article XIID.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessment Number by the County of San Joaquin Assessor's Office. The County of San Joaquin Auditor/Controller uses Assessment Numbers and specific Fund Numbers to identify properties assessed on the tax roll for special district benefit assessments.

2.2 Effect of Proposition 218

On November 5, 1996, California voters approved Proposition 218 (Government Code commencing with Section 53739) by a margin of 56.5% to 43.5%. The provisions of the Proposition, now a part of the California Constitution, add substantive and procedural requirements to assessments, which affect the City of Lodi landscape maintenance assessments.

The Landscape and Lighting Act of 1972, Article XIID of the Constitution of the State of California and the Proposition 218 Omnibus Implementation Act are referred to collectively as the "Assessment Law")

The proposed annexation of Zones 14 through 16 will comply with the requirements of the Assessment Law.

3. PLANS AND SPECIFICATIONS

During the installation period for each Zone within the Lodi Consolidated Landscape Maintenance District No. 2003-1, the installer of the improvements will maintain the new improvements until the following June 30, or such time as funds are available for maintenance, at which time the new areas shall be incorporated into the areas already being maintained by the District.

3.1 Description of Facilities for Zone 14

Zone 14 is comprised of the Luca Place subdivision; the facilities within Zone 14 of the Lodi Consolidated Landscape Maintenance District No. 2003-1 that will be operated, serviced, maintained and improved are generally described as follows:

- A. A 6.5 foot irrigated landscape strip in the east half of the Westgate Drive median, west of the Zone 14 boundary.
- B. Street parkway trees located within the public street (Westgate Drive), within the Zone 14 boundary.
- C. Public park land area of 0.13005 acres in size equivalent to the current level of service standard for park area within the City of 3.4 acres per thousand persons served.

Zone 14 consists of a 17-lot medium-density residential development (Luca Place) bounded by Vintner's Square shopping center to the north, east and south and Westgate Drive to the west. Each lot benefits equally from the facilities within Zone 14. When subdivided, the zone will include 17 Dwelling Unit Equivalents (DUE).

3.2 Description of Facilities for Zone 15

Zone 15 is comprised of 4 industrial zoned parcels; the facilities within Zone 15 of the Lodi Consolidated Landscape Maintenance District No. 2003-1 that will be operated, serviced, maintained and improved are generally described as follows:

- A. A traffic signal at the intersection of Highway 12 (Victor Road) and Guild Avenue.
- B. A 15.0 foot irrigated, landscaped strip in a 16.0 foot median in Victor Road (Highway 12) south of the Zone 15 boundary, extending west from the current City limits for a distance of 700 feet.
- C. A 28.5 foot irrigated landscape strip on the north side of Victor Road (Highway 12), extending westerly from the current City limits to 231 feet west of the Guild Avenue intersection centerline and having a total length of 1,485 feet.
- D. Street sweeping along the north and south side of Victor Road (Highway 12) and along the median and curbing from 231 feet west of the Guild Avenue intersection centerline to the current City limits.

Zone 15 consists of four (4) industrial zoned parcels, three (3) located on Guild Avenue, north of Lockeford Street and one (1) located on Victor Road, east of Guild Avenue. The benefit from facilities within Zone 15 for each lot has been determined based on an acreage basis. Zone 15 includes 36.652 Dwelling Unit Equivalents (DUE). Please refer to Section 4 of this Report for a more complete description.

3.3 Description of Facilities for Zone 16

Zone 16 is comprised of 2 commercial office parcels; the facilities within Zone 16 of the Lodi Consolidated Landscape Maintenance District No. 2003-1 that will be operated, serviced, maintained and improved are generally described as follows:

- A. A variable width (15 to 18 feet) irrigated, landscaped strip in the segmented median in W. Kettleman Lane (Highway 12) extending west from Ham Lane to Westgate Drive and having a total landscaped area of 36,505 square feet.
- B. A variable width (12 to 20 feet) irrigated landscape strip in the segmented median in Lower Sacramento Road extending south from the north boundary of parcel APN 027-410-06 (2429 W. Kettleman Lane) to the south boundary of APN 058-030-13 (1551 S. Lower Sacramento Road) and having a total landscaped area of 13,490 square feet.

Zone 16 consists of 2 commercial office parcels located on W. Kettleman Lane, west of Lakeshore Drive and east of Mills Avenue. The benefit from facilities within Zone 16 for each lot has been determined based on an acreage and land use basis. Zone 16 includes 8.365 Dwelling Unit Equivalents (DUE). Please refer to Section 4 of this Report for a more complete description.

4. METHOD OF APPORTIONMENT

4.1 Method of Apportionment

Pursuant to the 1972 Act the costs (assessments) of the District are apportioned by a formula or method that fairly distributes the net amount to be assessed among all parcels in proportion to benefits received from the improvements. The provisions of Article XIII C and XIII D of the California Constitution (Proposition 218) require the agency to separate the general benefit from special benefit, whereas only special benefits may be assessed.

IMPROVEMENT BENEFIT FINDINGS

The annual assessments outlined in the Budget section of this Report are proposed to cover the estimated costs to provide all necessary service, operation, administration and maintenance within the District, by Zone. It has been determined that each assessable parcel within the District receives proportional special benefits from the improvements. Below is a description of the benefit finding for each Zone.

Zone 14 – The benefit from improvements to be maintained through annual assessments of Zone 14 has been determined based on a parcel basis. All parcels within Zone 14 will be single family homes and as a result all parcels will have the same assessment rate.

Zone 15 – The benefit from improvements to be maintained through annual assessments of Zone 15 has been determined to be 6.27% of the total, based on the acreage and land use zoning of all parcels on Guild Avenue north of Victor Road (Highway 12) and two parcels having frontage on the south side of Victor Road east of Guild Avenue. The individual benefit for each parcel with Zone 15 has been determined based on acreage. The balance of the costs of operating, servicing and maintaining the improvements shall be borne by the City until such time as the remaining parcels on Guild Avenue, north and south of Victor Road (Highway 12) are developed or are otherwise required to annex into the District.

Zone 16 – The benefit from improvements to be maintained through annual assessments of Zone 16 has been determined to be 1.23% of the total, based on the acreage and land use zoning of all commercial parcels along West Kettlemen Lane between Westgate Drive and Ham Lane. The individual benefit for each parcel with Zone 16 has been determined based on acreage. The balance of the costs of operating, servicing and maintaining the improvements shall be borne by the City until such time as the remaining parcels on West Kettlemen Lane, between Westgate Drive and Ham Lane are developed or are otherwise required to annex into the District.

All improvements to be maintained and funded through annual assessments were constructed and installed in connection with or for the benefit of the development of properties within the District. Each parcel's close and relatively similar proximity to the improvements makes each parcel's special benefit from the improvements similar and proportionate.

The annual assessments outlined in the Budget section of this Report are proposed to cover the estimated costs to provide all necessary service, operation, administration and maintenance within the District, by Zone. It has been determined that each assessable parcel within the District receives proportional special benefits from the improvements. All the lots and parcels that receive special benefit from the improvements are included within the District.

SPECIAL BENEFITS

The method of apportionment (method of assessment) is based on the premise that each of the assessed parcels within the District receives special benefit from the improvements maintained and financed by District assessments. Specifically, the assessments associated with each Zone are outlined, by Zone, in Section 5 of this Report.

DESCRIPTION OF THE METHOD OF APPORTIONMENT

The District provides operation, service and maintenance to all the specific local improvements and associated appurtenances located within the public right-of-ways in each of the various Zones throughout the District. The annual assessments are based on the historical and estimated cost to operate, to service and to maintain the improvements that provide a special benefit to properties within the District and Zones. The various improvements within each Zone are identified and budgeted separately, including all expenditures, deficits, surpluses, revenues and reserves.

The assessments outlined in this section represent the proportionate special benefit to each property within the District and the basis of calculating each parcel's proportionate share of the annual costs associated with the District/Zone improvements. The costs associated with the maintenance and operation of special benefit improvements shall be collected through annual assessments from each parcel receiving such benefit. The funds collected shall be dispersed and used for only the services and operation provided to the District.

The basis of determining each parcel's special benefit utilizes a weighting formula commonly known as a Dwelling Unit Equivalent Factor (dueF). The developed single-family residential parcel is used as the base unit for calculation of assessments and is defined as one (1.00) dueF. All other property types are assigned a dueF that reflects their proportional special benefit from the improvements as compared to the single-family residential parcel (weighted comparison).

To determine the dueF for industrial and commercial/office parcels, and multiple-residential (greater than 3 units) parcels, a Benefit Unit Factor (BUF) is assigned to each property type. This BUF multiplied by the parcel's specific acreage determines the parcel's specific dueF. The following table provides a listing of the various land use types and the corresponding BUF used to calculate a parcel's EDU and proportionate benefit:

4.2 Land Use Benefit Factors

PROPERTY TYPE LAND USE	ASSIGNED BENEFIT UNIT FACTOR
Single Family Residential	1.00 per Unit
Multiple Family Residential (duplex)	2.00 per Unit
Multiple Family Residential (greater than 3 units)	5.00 per Acre
Commercial/Office	
For the First 7.5 Acres	5.00 per Acre
For the Next 7.5 Acres	2.50 per Acre
For All Acreage Over 15 Acres	1.25 per Acre
Industrial	4.00 per Acre
Exempt	0.00
Other Uses	The dueF Will Be Established As Required

Exempt – Certain parcels, by reason of use, size, shape or state of development, may be assigned a zero dueF which will consequently result in a zero assessment for those parcels for that fiscal year. All parcels having such a zero dueF for the previous fiscal year shall annually be reconsidered to determine if the reason for assigning the zero dueF is still valid for the next fiscal year. Parcels which may be expected to have a zero dueF assigned are typically parcels which are all, or nearly all, publicly landscaped, parcels in public ownership, parcels owned by a public utility company and/or used for public utilities, public parks, public schools, and remainder parcels too small or narrow for reasonable residential or commercial use, unless actually in use.

Area Adjustments – Parcels which have an assessment determined by area and which have a portion of the parcel occupied by public or public utility uses separate from the entitled use and located in easements, prior to the multiplication by the dueF, shall have the area of the parcel adjusted to a usable area to reflect the loss or partial loss of the entitled use in those areas. This reduction shall not apply for normal peripheral and interior lot line public utility easements generally existing over the whole subdivision.

As noted previously, the District is divided into Zones. These Zones encompass specific developments where the properties receive a direct and special benefit from the operation, service and maintenance of those improvements. The basis of benefit and proportionate assessment for all properties within the District is established by each parcel's calculated dueF and their proportionate share of the improvement costs based on their proportionate dueF within the Zone. The method used to calculate the assessments for each Zone is as follows:

$$\text{Total Balance to Levy} / \text{Total dueF} = \text{Levy per dueF (Levy Rate)}$$

$$\text{Parcel's dueF} \times \text{Levy per dueF (Levy Rate)} = \text{Parcel Levy Amount}$$

ASSESSMENT RANGE FORMULA

Any new or increase in assessments require certain noticing and meeting requirements by law. Prior to the passage of Proposition 218, legislative changes in the Brown Act defined the definition of "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through SB919 (Proposition 218 implementing legislation).

The purpose of establishing an assessment range formula is to provide for reasonable increases and inflationary adjustments to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments.

Generally, if the proposed annual assessment (levy per unit or rate) for the current fiscal year is less than or equal to the "Maximum Assessment" (or "Adjusted Maximum Assessment"), then the proposed annual assessment is not considered an increased assessment. The Maximum Assessment is equal to the initial Assessment approved by property owners adjusted annually by the following criteria:

1. Beginning in the second fiscal year (Fiscal Year 2009/10) and each fiscal year thereafter, the Maximum Assessment will be recalculated annually.
2. The new adjusted Maximum Assessment for the year represents the prior year's Maximum Assessment adjusted by the greater of:
 - (a) Five percent (5.0%); or,
 - (b) The annual increase in the Consumer Price Index (CPI).

Each year the annual increase in the CPI shall be computed. The increase in CPI is the percentage difference between the CPI of December of any given year and the CPI for the previous December as provided and established by the Bureau of Labor Statistics (example: Fiscal Year 2005/06 CPI increase was 2.2% over December 2004). This percentage difference (annual difference) shall then establish the allowed increase based on CPI. The Consumer Price Index used shall be based on the CPI established by the Bureau of Labor Statistics for all urban consumers for the San Francisco-Oakland-San Jose Area. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the City Council for determining fluctuations in the cost of living.

If CPI is less than five percent (5.0%), then the allowable adjustment to the Maximum Assessment is five percent. If CPI is greater than five percent (5.0%), then the allowable adjustment to the Maximum Assessment is based on CPI. The Maximum Assessment is adjusted annually and is calculated independent of the District's annual budget and proposed annual assessment. Any proposed annual assessment (rate per levy unit) less than or equal to this Maximum Assessment is not considered an increased assessment, even if the proposed assessment is greater than the assessment applied in the prior fiscal year.

The following table illustrates how the assessment range formula shall be applied. For example, if the percentage change in CPI is greater than five percent (5.0%), as in Example 1, then the percentage adjustment to the Maximum Assessment will be by CPI. If the percentage change in CPI is less than five percent (5.0%), as in Example 2, then the percentage adjustment to the Maximum Assessment will be five percent (5.0%).

Examples of Percentage Increases

Example	CPI Calculated Percentage Increase	Standard 5% Increase	Maximum % Increase Without Re- Balloting	Prior Years Maximum Rate Per dueF	Allowed Adjustment Per dueF	Allowed New Maximum Rate Per dueF
1	5.25%	5.00%	5.25%	\$347.00	18.22	\$365.22
2	2.20%	5.00%	5.00%	\$347.00	17.35	\$364.35

As previously illustrated, the Maximum Assessment will be recalculated and adjusted annually. However, the City Council may reduce or freeze the Maximum Assessment at any time by amending the Engineer's Annual Report.

Although the Maximum Assessment will normally increase each year, the actual District assessments may remain virtually unchanged. The Maximum Assessment adjustment is designed to establish a reasonable limit on District assessments. The Maximum Assessment calculated each year does not require or facilitate an increase to the annual assessment, nor does it restrict assessments to the adjusted maximum amount. If the budget and assessments for the fiscal year does not require an increase, or the increase is less than the adjusted Maximum Assessment, then the required budget and assessment may be applied without additional property owner balloting. If the budget and assessments calculated requires an increase greater than the adjusted Maximum Assessment then the assessment is considered an increased assessment. To impose an increased assessment the City Council must comply with the provisions of Proposition 218 (Article XIID Section 4c of the California Constitution). Proposition 218 requires a Public Hearing and certain protest procedures including mailed notice of the Public Hearing and property owner protest balloting. Property owners, through the balloting process, must approve the proposed assessment increase. If the proposed assessment is approved, then a new Maximum Assessment is established for the District. If the proposed assessment is not approved, the City Council may not levy an assessment greater than the adjusted Maximum Assessment previously established for the District.

5. ESTIMATE OF COSTS

5.1 Description of Budget Items

The following items make up the Estimate of Costs used in determining the Annual Assessments of the District. The specific Zones within the District are shown in Section 3 of this Report. Definitions of maintenance items, words and phrases are shown below:

Fiscal Year – One year period of time beginning July 1st of a given year and ending June 30th of the following year.

OPERATION COSTS:

Landscape Maintenance Labor – The estimated cost of labor necessary for maintaining and servicing the street trees, shrubs, turf and ground cover areas within the District.

Maintenance Materials & Supplies – The estimated cost of materials necessary for maintaining, cleaning and servicing the landscaped areas, parklands, streets (sweeping) and traffic signals within the District.

Irrigation Water – The cost of water used for irrigating the landscaping improvements of the District.

Utilities – The cost of electricity used for irrigation within the District.

Equipment Maintenance & Operation – The cost of materials and labor necessary for maintaining, repairing, and operating equipment (includes vehicles, benches, playground equipment, graffiti and litter removal, etc.) used for all aspects of maintenance in the District.

Maintenance Personnel – The estimated cost for District personnel to perform maintenance duties within the District.

Contract Maintenance – The estimated cost to perform contracted maintenance duties within the District.

ADMINISTRATION COSTS:

Consultants – Costs associated with outside consultant fees in order to comply with Assessment Law and placement of assessment onto the San Joaquin County Tax Roll each year.

County Administration – Costs of the County of San Joaquin related to the placement of assessments on the tax roll each year.

Insurance – The estimated costs to provide insurance for District personnel and staff.

Reserves/Contingencies – An amount of 50% of the maintenance costs may be included to build a Reserve and Contingency Fund. The Landscaping and Lighting Act of 1972, Part 2, Division 15 of the Streets and Highways Code of the State of California, commencing with Section 22500, allows the District assessments to "...include a reserve which shall not exceed the estimated costs of maintenance and servicing to December 10 of the fiscal year, or whenever the city expects to receive its apportionment of special assessments and tax collections from the county, whichever is later."

Total Parcels – Represents the total number of parcels physically within the District/Zone boundaries.

Total Dwelling Unit Equivalent Factor – Dwelling Unit Equivalent Factor (dueF) is a numeric value calculated for each parcel based on the parcel's land use. The dueF shown in the District/Zone budget represents the sum total of all parcel dueF's that receive benefit from the improvements. Refer to Section III for a more complete description of dueF's.

Levy per dueF – This amount represents the rate being applied to each parcel's individual dueF. The Levy per Dwelling Unit Equivalent Factor, is the result of dividing the total Balance to Levy, by the sum of the District dueF's, for the fiscal year. This amount is always rounded down to the nearest even penny for tax bill purposes.

5.2 District Budget

Zone 14 – Luca Place Budget

ACCOUNT DESCRIPTION	2008/09 ASSESSMENT	MAXIMUM ASSESSMENT
OPERATION COSTS: (1)	\$1,314.00	\$1,314.00
STREET TREES:	0.00	242.00
PARK MAINTENANCE:	0.00	1,586.00
ADMINISTRATION COSTS: (2)	1,122.00	1,355.00
ROUNDING FACTOR:*	0.24	0.00
BUDGET TOTAL	\$2,436.24	\$4,497.00
CONTRIBUTION FROM RESERVES:	(0.00)	(0.00)
CONTRIBUTION TO RESERVES: (3)	500.00	500.00
BALANCE TO LEVY:	\$2,936.24	\$4,997.00

* Rounding is for County tax roll purposes

- (1) Includes landscape maintenance, repair, replacement, water and electricity costs.
 (2) Includes Consultants, City & County administration, publication costs and contingency.
 (3) Includes landscape and/or masonry wall replacement costs.

Zone 15 – Guild Avenue Industrial Budget

ACCOUNT DESCRIPTION	2008/09 ASSESSMENT	MAXIMUM ASSESSMENT
OPERATION COSTS: (1)	\$362.72	\$2,915.42
TRAFFIC SIGNALS:	0.00	312.37
STREET SWEEPING:	14.23	58.12
ADMINISTRATION COSTS: (2)	70.29	399.71
ROUNDING FACTOR:*	0.17	0.54
BUDGET TOTAL	\$ 447.41	\$3,686.16
CONTRIBUTION FROM RESERVES:	(0.00)	(0.00)
CONTRIBUTION TO RESERVES: (3)	18.81	32.92
BALANCE TO LEVY:	\$ 466.22	\$3,719.08

* Rounding is for County tax roll purposes

- (1) Includes landscape maintenance, repair, replacement, water and electricity costs.
 (2) Includes Consultants, City & County administration, publication costs and contingency.
 (3) Includes landscape and/or masonry wall replacement costs.

Zone 16 – West Kettleman Lane Commercial Budget

ACCOUNT DESCRIPTION	2008/09 ASSESSMENT	MAXIMUM ASSESSMENT
OPERATION COSTS: (1)	\$231.52	\$231.52
ADMINISTRATION COSTS: (2)	<u>27.14</u>	<u>73.82</u>
BUDGET TOTAL	\$ 258.66	\$ 305.34
CONTRIBUTION FROM RESERVES:	(0.00)	(0.00)
CONTRIBUTION TO RESERVES: (3)	<u>6.18</u>	<u>6.18</u>
BALANCE TO LEVY:	\$ 264.84	\$ 311.52

(1) Includes landscape maintenance, repair, replacement, water and electricity costs.

(2) Includes Consultants, City & County administration, publication costs and contingency.

(3) Includes landscape and/or masonry wall replacement costs.

Total Budget for Annexed Zones

ACCOUNT DESCRIPTION	2008/09 ASSESSMENT	MAXIMUM ASSESSMENT
OPERATION COSTS: (1)	\$1,908.24	\$4,460.94
STREET TREES:	0.00	242.00
STREET SWEEPING:	14.23	58.12
TRAFFIC SIGNALS:	0.00	312.37
PARK MAINTENANCE:	0.00	1,586.00
ADMINISTRATION COSTS: (2)	1,219.43	1,828.53
ROUNDING FACTOR:*	<u>0.41</u>	<u>0.54</u>
BUDGET TOTAL	\$3,142.31	\$8,488.50
CONTRIBUTION FROM RESERVES:	(0.00)	(0.00)
CONTRIBUTION TO RESERVES: (3)	<u>524.99</u>	<u>539.10</u>
BALANCE TO LEVY:	\$3,667.30	\$9,027.60

(1) Includes landscape maintenance, repair, replacement, water and electricity costs.

(2) Includes Consultants, City & County administration, publication costs and contingency.

(3) Includes landscape and/or masonry wall replacement costs.

5.3 Landscape Reserve Information

Zone 14 Landscape Reserve Information

DESCRIPTION	AMOUNT
Landscape Reserve Beginning Balance – June 30, 2008	\$0.00
Contribution to Landscape Reserves	500.00
LANDSCAPE RESERVE ENDING BALANCE – JUNE 30, 2009	\$ 500.00

Zone 15 Landscape Reserve Information

DESCRIPTION	AMOUNT
Landscape Reserve Beginning Balance– June 30, 2008	\$0.00
Contribution to Landscape Reserve	18.81
LANDSCAPE RESERVE ENDING BALANCE – JUNE 30, 2009	\$ 18.81

Zone 16 Landscape Reserve Information

DESCRIPTION	AMOUNT
Landscape Reserve Beginning Balance – June 30, 2008	\$0.00
Contribution to Landscape Reserves	6.18
LANDSCAPE RESERVE ENDING BALANCE – JUNE 30, 2009	\$ 6.18

Total Landscape Reserve Information

DESCRIPTION	AMOUNT
Landscape Reserve Beginning Balance– June 30, 2008	\$0.00
Contribution to Landscape Reserve	524.99
LANDSCAPE RESERVE ENDING BALANCE – JUNE 30, 2009	\$ 524.99

6. ASSESSMENT DIAGRAMS

Assessment Diagrams for the Annexation have been submitted to the City Clerk in the format required under the provisions of the Act. Enclosed are facsimiles of said submittal. The lines and dimensions shown on maps of the County Assessor of the County of San Joaquin for the current year are incorporated by reference herein and are made a part of this Report.

MAXIMUM ASSESSMENT ROLL

[illegible]



CITY OF LODI

PUBLIC WORKS DEPARTMENT

AREA OF BENEFIT LUCA PLACE - ZONE 14 EXHIBIT 2



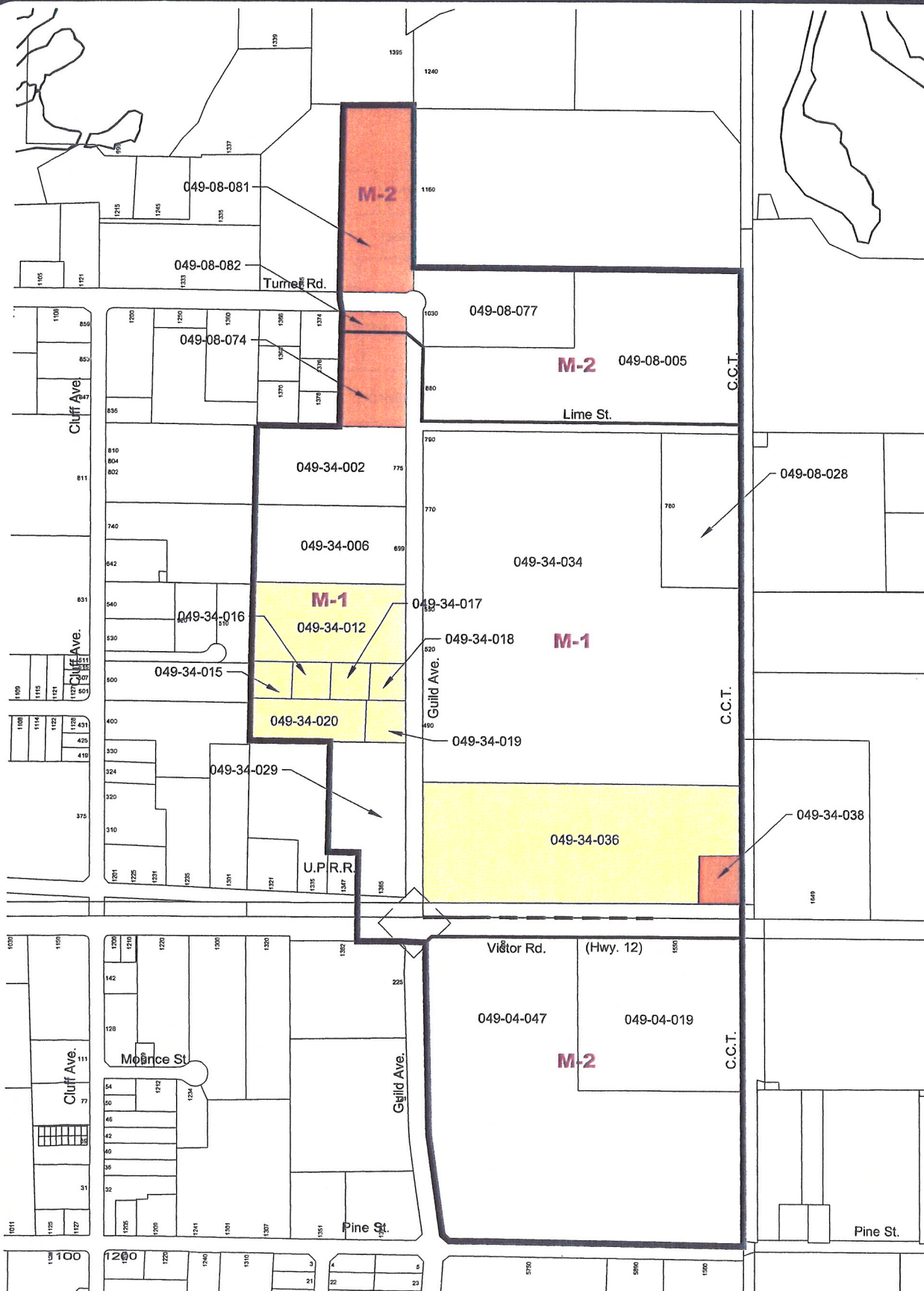
1" = 1000'



CITY OF LODI

PUBLIC WORKS DEPARTMENT

AREA OF BENEFIT GUILD AVENUE INDUSTRIAL EXHIBIT 3



Legend

- Zone 13
- Zone 15



1" = 600'

City of Lodi
Lodi Consolidated LMD No. 2003-1
Zone 15
Fiscal Year 2008/09
Assessment Roll

ZONE	APN	Acreage	Status	AMT PER dueF	dueF	FY 2008/09 ASSESSMENT
15	049-340-38	0.832	Comm	\$12.72	3.33	0.57%
15	049-330-11	2.590	Ind	\$12.72	10.36	1.77%
15	049-330-04	5.190	Ind	\$12.72	20.76	3.55%
15	049-330-10	0.551	Ind	\$12.72	2.20	0.38%
				Subtotal		6.27%
Future	049-340-36	13.820	Ind	\$12.72	55.28	9.46%
Future	049-340-12	5.000	Ind	\$12.72	20.00	3.42%
Future	049-340-18	0.459	Ind	\$12.72	1.84	0.31%
Future	049-340-17	0.571	Ind	\$12.72	2.28	0.39%
Future	049-340-16	0.570	Ind	\$12.72	2.28	0.39%
Future	049-340-15	0.606	Ind	\$12.72	2.42	0.41%
Future	049-340-20	1.917	Ind	\$12.72	7.67	1.31%
Future	049-340-19	0.572	Ind	\$12.72	2.29	0.39%
Future	049-330-08	13.500	Ind	\$12.72	54.00	9.24%
Future	049-340-29	4.490	Ind	\$12.72	17.96	3.07%
Future	049-340-06	5.000	Ind	\$12.72	20.00	3.42%
Future	049-340-02	5.000	Ind	\$12.72	20.00	3.42%
Future	049-340-33	5.000	Ind	\$12.72	20.00	3.42%
Future	049-330-09	4.790	Ind	\$12.72	19.16	3.28%
Future	049-340-34	38.530	Ind	\$12.72	154.12	26.37%
Future	049-320-16	10.000	Ind	\$12.72	40.00	6.84%
Future	049-320-15	27.130	Ind	\$12.72	108.52	18.57%
				Subtotal		93.73%
		136.955			584.47	\$497.36

City of Lodi
Lodi Consolidated LMD No. 2003-1
Zone 15
Maximum Assessment
Assessment Roll

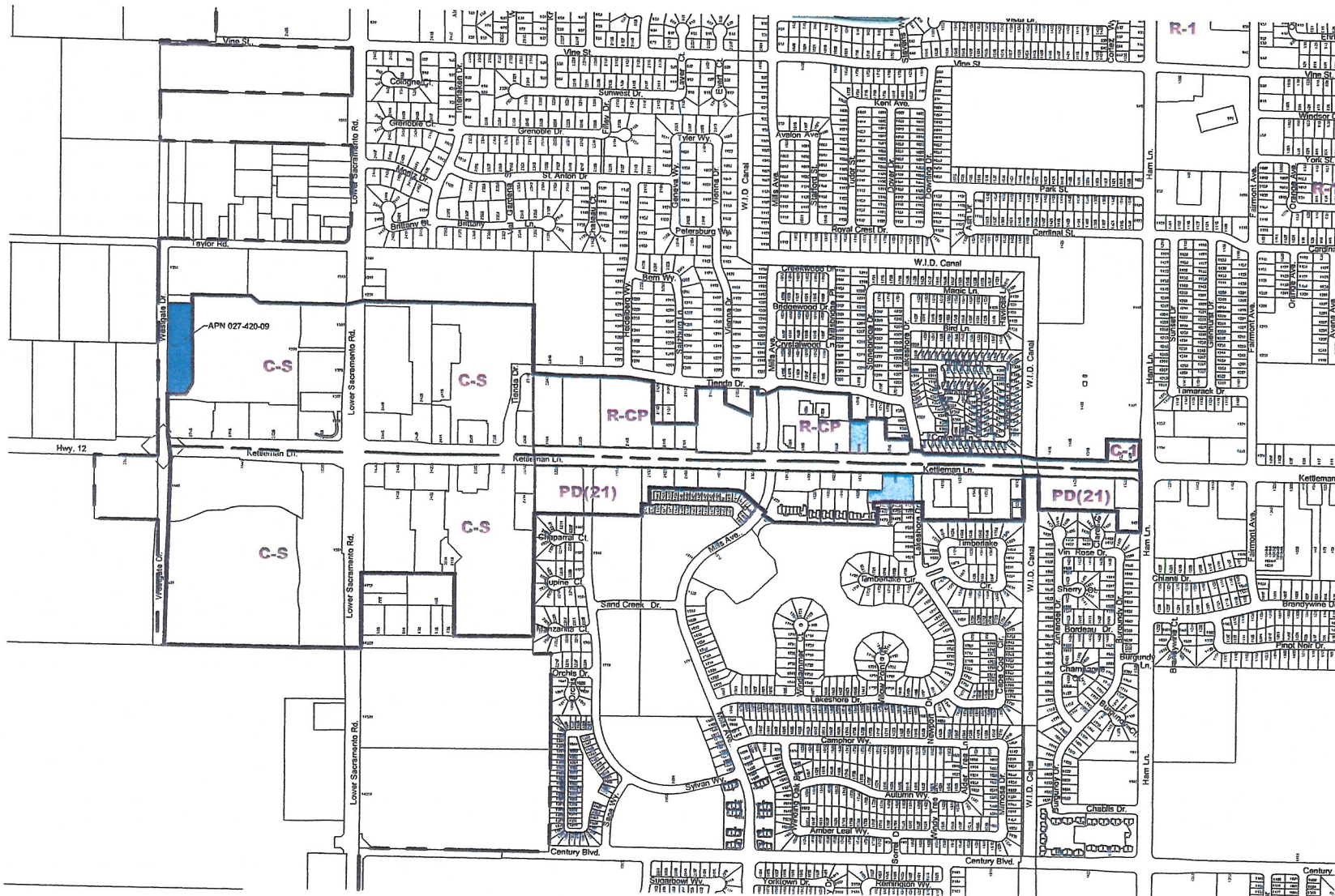
ZONE	APN	Acreage	Status	dueF	FY 2008/09 ASSESSMENT
15	049-340-38	0.832	Comm	3.33	0.57%
15	049-330-11	2.590	Ind	10.36	1.77%
15	049-330-04	5.190	Ind	20.76	3.55%
15	049-330-10	0.551	Ind	2.20	0.38%
Subtotal					6.27%
Future	049-340-36	13.820	Ind	55.28	9.46%
Future	049-340-12	5.000	Ind	20.00	3.42%
Future	049-340-18	0.459	Ind	1.84	0.31%
Future	049-340-17	0.571	Ind	2.28	0.39%
Future	049-340-16	0.570	Ind	2.28	0.39%
Future	049-340-15	0.606	Ind	2.42	0.41%
Future	049-340-20	1.917	Ind	7.67	1.31%
Future	049-340-19	0.572	Ind	2.29	0.39%
Future	049-330-08	13.500	Ind	54.00	9.24%
Future	049-340-29	4.490	Ind	17.96	3.07%
Future	049-340-06	5.000	Ind	20.00	3.42%
Future	049-340-02	5.000	Ind	20.00	3.42%
Future	049-340-33	5.000	Ind	20.00	3.42%
Future	049-330-09	4.790	Ind	19.16	3.28%
Future	049-340-34	38.530	Ind	154.12	26.37%
Future	049-320-16	10.000	Ind	40.00	6.84%
Future	049-320-15	27.130	Ind	108.52	18.57%
Subtotal					93.73%
		136.955		584.47	100.00%



CITY OF LODI

PUBLIC WORKS DEPARTMENT

AREA OF BENEFIT WEST KETTLEMAN LANE COMMERCIAL EXHIBIT 4



Legend

Zone 16



1" = 1000'

ZONE	APN	Acreage	Status	dueF	2008-09 ASSESSMENT
Future	058-140-42	0.792	CR	3.96	0.59%
Future	058-140-43	0.894	CR	4.47	0.66%
Future	058-140-44	4.290	CR	21.45	3.17%
Future	058-140-45	2.610	CR	13.05	1.93%
Future	058-140-48	0.561	CR	2.81	0.41%
Future	058-140-49	0.730	CR	3.65	0.54%
Future	058-140-50	0.520	CR	2.60	0.38%
Future	058-160-29	0.560	CO	2.80	0.41%
Future	058-160-32	0.550	CO	2.75	0.41%
Future	058-160-78	1.024	CO	5.12	0.76%
Future	058-160-82	0.899	CO	4.50	0.66%
Future	058-160-83	0.496	CO	2.48	0.37%
Future	058-160-84	0.620	CO	3.10	0.46%
Future	058-160-89	0.811	CO	4.06	0.60%
Future	058-260-40	1.390	CO	6.95	1.03%
Future	058-260-41	0.882	CO	4.41	0.65%
Future	058-260-42	0.882	CO	4.41	0.65%
Future	058-260-43	0.748	CO	3.74	0.55%
Future	058-260-46	0.347	CO	1.74	0.26%
Future	058-260-47	0.442	CO	2.21	0.33%
Future	058-320-01	0.102	CO	0.51	0.08%
Future	058-320-02	0.073	CO	0.37	0.05%
Future	058-320-03	0.102	CO	0.51	0.08%
Future	058-320-07	0.114	CO	0.57	0.08%
Future	058-320-08	0.057	CO	0.28	0.04%
Future	058-350-01	0.083	CO	0.41	0.06%
Future	058-350-02	0.075	CO	0.37	0.06%
Future	058-350-03	0.099	CO	0.50	0.07%
Future	058-350-04		CO	0.00	0.00%
Future	058-350-05	0.116	CO	0.58	0.09%
Future	058-350-06	0.058	CO	0.29	0.04%
Future	058-350-07	0.116	CO	0.58	0.09%
Future	058-370-02	2.400	Conv. Care	12.00	1.77%
Future	058-370-03	2.400	Conv. Care	12.00	1.77%
Future	058-380-01	0.074	CO	0.37	0.05%
Future	058-380-02	0.074	CO	0.37	0.05%
Future	058-380-03	0.074	CO	0.37	0.05%
Future	058-380-04	0.074	CO	0.37	0.05%
Future	058-380-05	0.074	CO	0.37	0.05%
Future	058-380-06	0.056	CO	0.28	0.04%
Future	058-380-07	0.371	CO	1.86	0.27%
Future	058-380-08	0.074	CO	0.37	0.05%
Future	058-380-09	0.130	CO	0.65	0.10%
Future	058-380-10	0.074	CO	0.37	0.05%
Future	058-380-11	0.074	CO	0.37	0.05%
Future	058-380-12	0.074	CO	0.37	0.05%
Future	058-380-13	0.130	CO	0.65	0.10%
Future	058-390-01	0.083	CO	0.41	0.06%

ZONE	APN	Acreage	Status	dueF	2008-09 ASSESSMENT
Future	058-390-02	0.075	CO	0.37	0.06%
Future	058-390-03	0.099	CO	0.50	0.07%
Future	058-390-05	0.116	CO	0.58	0.09%
Future	058-390-06	0.058	CO	0.29	0.04%
Future	058-390-07	0.116	CO	0.58	0.09%
Future	058-400-01	0.037	CO	0.19	0.03%
Future	058-400-02	0.037	CO	0.19	0.03%
Future	058-400-03	0.037	CO	0.19	0.03%
Future	058-400-04	0.065	CO	0.32	0.05%
Future	058-400-05	0.278	CO	1.39	0.21%
Future	058-400-06	0.037	CO	0.19	0.03%
Future	058-400-08	0.037	CO	0.19	0.03%
Future	058-400-09	0.037	CO	0.19	0.03%
Future	058-400-10	0.037	CO	0.19	0.03%
Future	058-400-11	0.065	CO	0.32	0.05%
Future	058-400-12	0.278	CO	1.39	0.21%
Future	058-400-13	0.037	CO	0.19	0.03%
Future	060-020-01	2.520	CR	12.60	1.86%
Future	060-020-03	0.770	CR	3.85	0.57%
Future	060-020-04	0.558	CR	2.79	0.41%
			Subtotal		98.76%
		147.769		676.53	2.00

City of Lodi
Lodi Consolidated LMD No. 2003-1
Zone 16
Maximum Assessment
Assessment Roll

ZONE	APN	Acreage	Status	dueF	MAXIMUM ASSESSMENT
16	031-330-10	0.581	CO	2.91	0.43%
16	058-160-86	1.092	CO	5.46	0.81%
			Subtotal		1.24%
Future	027-410-05	4.950	CO	24.75	3.66%
Future	027-410-06	2.340	CO	11.70	1.73%
Future	027-410-07	1.070	CO	5.35	0.79%
Future	027-410-08	1.080	CO	5.40	0.80%
Future	027-410-09	1.810	CO	9.05	1.34%
Future	027-410-10	0.730	CO	3.65	0.54%
Future	027-410-11	9.060	CO	41.40	6.12%
Future	027-410-12	0.760	CO	3.80	0.56%
Future	027-410-13	0.491	CO	2.46	0.36%
Future	027-410-14	0.599	CO	3.00	0.44%
Future	027-410-15	2.130	School	10.65	1.57%
Future	027-410-16	2.670	Church	13.35	1.97%
Future	027-410-17	3.680	Sr Apts	18.40	2.72%
Future	027-410-20	0.560	CO	2.80	0.41%
Future	027-410-21	0.560	CO	2.80	0.41%
Future	027-410-22	3.050	Church	15.25	2.25%
Future	027-420-01	1.755	CR	8.78	1.30%
Future	027-420-02	1.300	CR	6.50	0.96%
Future	027-420-03	1.740	CR	8.70	1.29%
Future	027-420-06	2.000	CR	10.00	1.48%
Future	027-420-07	11.720	CR	48.05	7.10%
Future	027-420-12	1.910	CR	9.55	1.41%
Future	027-420-13	0.880	CR	4.40	0.65%
Future	027-420-14	1.200	CR	6.00	0.89%
Future	031-040-28	1.280	CO	6.40	0.95%
Future	031-040-30	0.670	CR	3.35	0.50%
Future	031-280-04	2.720	CO	13.60	2.01%
Future	031-300-01	0.155	CO	0.78	0.11%
Future	031-300-02	0.052	CO	0.26	0.04%
Future	031-300-04	0.155	CO	0.78	0.11%
Future	031-300-05	0.052	CO	0.26	0.04%
Future	031-330-09	1.133	CO	5.67	0.84%
Future	031-330-11	0.985	CO	4.93	0.73%
Future	058-030-11	6.970	CR	34.85	5.15%
Future	058-030-12	9.260	CR	41.90	6.19%
Future	058-030-13	18.290	CR	60.36	8.92%
Future	058-140-01	0.450	CR	2.25	0.33%
Future	058-140-33	0.855	CR	4.28	0.63%
Future	058-140-35	12.450	CR	49.88	7.37%

ZONE	APN	Acreage	Status	dueF	MAXIMUM ASSESSMENT
Future	058-140-42	0.792	CR	3.96	0.59%
Future	058-140-43	0.894	CR	4.47	0.66%
Future	058-140-44	4.290	CR	21.45	3.17%
Future	058-140-45	2.610	CR	13.05	1.93%
Future	058-140-48	0.561	CR	2.81	0.41%
Future	058-140-49	0.730	CR	3.65	0.54%
Future	058-140-50	0.520	CR	2.60	0.38%
Future	058-160-29	0.560	CO	2.80	0.41%
Future	058-160-32	0.550	CO	2.75	0.41%
Future	058-160-78	1.024	CO	5.12	0.76%
Future	058-160-82	0.899	CO	4.50	0.66%
Future	058-160-83	0.496	CO	2.48	0.37%
Future	058-160-84	0.620	CO	3.10	0.46%
Future	058-160-89	0.811	CO	4.06	0.60%
Future	058-260-40	1.390	CO	6.95	1.03%
Future	058-260-41	0.882	CO	4.41	0.65%
Future	058-260-42	0.882	CO	4.41	0.65%
Future	058-260-43	0.748	CO	3.74	0.55%
Future	058-260-46	0.347	CO	1.74	0.26%
Future	058-260-47	0.442	CO	2.21	0.33%
Future	058-320-01	0.102	CO	0.51	0.08%
Future	058-320-02	0.073	CO	0.37	0.05%
Future	058-320-03	0.102	CO	0.51	0.08%
Future	058-320-07	0.114	CO	0.57	0.08%
Future	058-320-08	0.057	CO	0.28	0.04%
Future	058-350-01	0.083	CO	0.41	0.06%
Future	058-350-02	0.075	CO	0.37	0.06%
Future	058-350-03	0.099	CO	0.50	0.07%
Future	058-350-05	0.116	CO	0.58	0.09%
Future	058-350-06	0.058	CO	0.29	0.04%
Future	058-350-07	0.116	CO	0.58	0.09%
Future	058-370-02	2.400	Conv. Care	12.00	1.77%
Future	058-370-03	2.400	Conv. Care	12.00	1.77%
Future	058-380-01	0.074	CO	0.37	0.05%
Future	058-380-02	0.074	CO	0.37	0.05%
Future	058-380-03	0.074	CO	0.37	0.05%
Future	058-380-04	0.074	CO	0.37	0.05%
Future	058-380-05	0.074	CO	0.37	0.05%
Future	058-380-06	0.056	CO	0.28	0.04%
Future	058-380-07	0.371	CO	1.86	0.27%
Future	058-380-08	0.074	CO	0.37	0.05%
Future	058-380-09	0.130	CO	0.65	0.10%
Future	058-380-10	0.074	CO	0.37	0.05%
Future	058-380-11	0.074	CO	0.37	0.05%
Future	058-380-12	0.074	CO	0.37	0.05%
Future	058-380-13	0.130	CO	0.65	0.10%
Future	058-390-01	0.083	CO	0.41	0.06%
Future	058-390-02	0.075	CO	0.37	0.06%

ZONE	APN	Acreage	Status	dueF	MAXIMUM ASSESSMENT
Future	058-390-03	0.099	CO	0.50	0.07%
Future	058-390-04		CO	0.00	0.00%
Future	058-390-05	0.116	CO	0.58	0.09%
Future	058-390-06	0.058	CO	0.29	0.04%
Future	058-390-07	0.116	CO	0.58	0.09%
Future	058-400-01	0.037	CO	0.19	0.03%
Future	058-400-02	0.037	CO	0.19	0.03%
Future	058-400-03	0.037	CO	0.19	0.03%
Future	058-400-04	0.065	CO	0.32	0.05%
Future	058-400-05	0.278	CO	1.39	0.21%
Future	058-400-06	0.037	CO	0.19	0.03%
Future	058-400-08	0.037	CO	0.19	0.03%
Future	058-400-09	0.037	CO	0.19	0.03%
Future	058-400-10	0.037	CO	0.19	0.03%
Future	058-400-11	0.065	CO	0.32	0.05%
Future	058-400-12	0.278	CO	1.39	0.21%
Future	058-400-13	0.037	CO	0.19	0.03%
Future	060-020-01	2.520	CR	12.60	1.86%
Future	060-020-03	0.770	CR	3.85	0.57%
Future	060-020-04	0.558	CR	2.79	0.41%
Subtotal					98.76%
		147.769		676.53	100.00%

RESOLUTION NO. 2008-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI, STATE OF CALIFORNIA, DECLARING THE RESULTS OF THE ASSESSMENT BALLOT TABULATION, TO ANNEX TERRITORY INTO THE LODI CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1, ORDERING MAINTENANCE WORK THEREIN AND CONFIRMING THE REPORT, DIAGRAM AND ASSESSMENT AND PROVIDING FOR THE LEVY OF THE ANNUAL ASSESSMENT THEREIN

=====

WHEREAS, the City Council of the City of Lodi, has initiated proceedings for the annexation of territory and levy of annual assessments in a special maintenance district created pursuant to the terms of the "Landscaping and Lighting Act of 1972", being Division 15, Part 2 of the Streets and Highways Code of the State of California (the "1972 Act"), Article XIID of the Constitution of the State of California ("Article XIID") and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 and following) (the "Implementation Act") (the 1972 Act, Article XIID and the Implementation Act may be referred to collectively herein as the "Assessment Law"), such special assessment district annexation known and designated as City of Lodi, "Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, (the "District"). The areas proposed to be annexed will become Zones within the District. Such Zones shall be known and designated as:

ZONE 14 – LUCA PLACE
ZONE 15 – GUILD AVENUE INDUSTRIAL
ZONE 16 – WEST KETTLEMAN COMMERCIAL

WHEREAS, the City Council did order and subsequently receive a report prepared by NBS (the "Assessment Engineer") prepared in accordance with the Assessment Law (the "Report"); and

WHEREAS, the City Council has carefully examined and reviewed the Report as presented and is satisfied with the proposed annexation, each and all of the budgets items and documents as set forth therein, and is satisfied that the levy amounts have been spread in accordance with the special benefit received from the improvements, operation, maintenance and services to be performed within the District, as set forth in said Report; and

WHEREAS, the City Council did set the time and place for a Public Hearing to consider the proposed District and the authorization to levy annual assessments therein and did order that notice of such Public Hearing accompanied by assessment ballots be given to the record owners of property within the proposed District in accordance with the provisions of the Assessment Law; and

WHEREAS, notice of such Public Hearing accompanied by assessment ballots were mailed to the record owners of property within the proposed District in accordance with the provisions of the Assessment Law.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. RECITALS: The above recitals are all true and correct.

SECTION 2. PROCEDURES: This City Council hereby finds and determines that the procedures for the consideration of the levy of the assessments have been undertaken in accordance with the Assessment Law.

SECTION 3. ASSESSMENT BALLOT PROCEDURES: Assessment ballots were mailed as required by Assessment Law to the record owners of all properties within the District, which are proposed to be assessed. The assessment ballots that were completed and received by the City Clerk prior to the close of the Public Hearing have been tabulated in accordance with the procedures established by Assessment Law and this City Council, and the results of such tabulation have been submitted to this City Council.

This City Council hereby finds that the assessment ballots submitted in favor of the levy of assessments as weighted in accordance with Assessment Law exceed the assessment ballots submitted in opposition to such levy also as weighted in accordance with Assessment Law. Therefore, no majority protest to the levy of assessments within the District has been found to exist.

SECTION 4. ANNEXATION OF TERRITORY: This City Council hereby orders the annexation of territory into the District.

SECTION 5. DETERMINATION AND CONFIRMATION: Based upon the Report and the testimony and other evidence presented at the Public Hearing, the City Council hereby makes the following determinations regarding the assessments proposed to be imposed for Fiscal Year 2008/2009 and the maximum annual assessments proposed to be imposed to pay for the estimated costs of the maintenance of all of the improvements to ultimately be maintained upon the completion and acceptance of thereof:

- a. The proportionate special benefit derived by each individual parcel assessed has been determined in relationship to the entirety of the cost of the operations and maintenance expenses.
- b. The assessments do not exceed the reasonable cost of the proportional special benefit conferred on each parcel.
- c. Only the special benefits have been assessed.

The assessments for the District contained in the Report for Fiscal Year 2008/2009 are hereby confirmed and levied upon the respective lots or parcels in the District in the amounts as set forth in said Report. Subsequent annual assessments in amounts not to exceed the maximum annual assessment of the estimated costs of the maintenance of all of the improvements to ultimately be maintained upon the completion and acceptance thereof as set forth in the Report may be subsequently confirmed and levied without further assessment ballot proceedings pursuant to the Assessment Law. As of December of each fiscal year after the base year (Fiscal Year 2008/2009), the maximum amount of each assessment (the "Maximum Assessment") shall be increased by the greater of 5% or C.P.I. without further compliance with the assessment ballot procedures required under the Assessment Law.

SECTION 6. ASSESSMENT ENGINEER'S REPORT: The "Report" as presented, consists of the following:

- A. Description of Improvements.
- B. The Annual Budget (Costs and Expenses of Services, Operations and Maintenance)
- C. The District Roll containing the Fiscal Year 2008/09 Levy for each Assessor Parcel within the District.

This City Council hereby finds the Report to be satisfactory, approved and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

- SECTION 7. ORDERING OF MAINTENANCE: The public interest and convenience requires and this legislative body does hereby order the maintenance work to be made and performed as said maintenance work is set forth in the Report.
- SECTION 8. FILING WITH CITY CLERK: The above-referenced diagram and assessment shall be filed in the Office of the City Clerk. Said diagram and assessment, and the certified copy thereof, shall be open for public inspection.
- SECTION 9. FILING WITH THE COUNTY AUDITOR: The City Clerk is hereby ordered and directed to immediately file a certified copy of the diagram and assessment with the County Auditor. Said filing to be made no later than the 3rd Monday in August.
- SECTION 10. ENTRY UPON THE ASSESSMENT ROLL: After the filing of the diagram and assessment, the County Auditor shall enter on the County assessment roll opposite each lot or parcel of land the amount assessed thereupon, as shown in the assessment.
- SECTION 11. COLLECTION AND PAYMENT: The assessments shall be collected at the same time and in the same manner as County taxes are collected, and all laws providing for the collection and enforcement of County taxes shall apply to the collection and enforcement of the assessments.
- SECTION 12. FISCAL YEAR 2008/2009: The assessments as above confirmed and levied for these proceedings will provide revenue to finance the maintenance of authorized improvements in the fiscal year commencing July 1, 2008 and ending June 30, 2009.

Dated: May 7, 2008

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I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 7, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



***Please immediately confirm receipt
of this fax by calling 333-6702***

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: RESOLUTION/NOTICE OF HEARING DECLARING INTENTION TO ANNEX TERRITORY INTO LODI CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1 AND TO PROVIDE FOR THE LEVY AND COLLECTION OF ASSESSMENTS IN SUCH ANNEXATION, SETTING A TIME AND PLACE FOR A PUBLIC HEARING THEREON, AND ORDERING THE INITIATION OF ASSESSMENT BALLOT PROCEDURES

PUBLISH DATE: SATURDAY, APRIL 5, 2008

LEGAL AD


TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO:

RANDI JOHL, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, APRIL 3, 2008

ORDERED BY: RANDI JOHL
CITY CLERK


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

MARIA BECERRA
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Faxed to the Sentinel at 369-1084 at _____ (time) on _____ (date) _____ (pages)
Phoned to confirm receipt of all pages at _____ (time) _____ JLT _____ DRC _____ JMP (initials)



DECLARATION OF POSTING

**RESOLUTION/NOTICE OF HEARING DECLARING INTENTION TO ANNEX
TERRITORY INTO LODI CONSOLIDATED LANDSCAPE MAINTENANCE
ASSESSMENT DISTRICT NO. 2003-1 AND TO PROVIDE FOR THE LEVY AND
COLLECTION OF ASSESSMENTS IN SUCH ANNEXATION, SETTING A TIME AND
PLACE FOR A PUBLIC HEARING THEREON, AND ORDERING THE INITIATION OF
ASSESSMENT BALLOT PROCEDURES**

On Friday, April 4, 2008, in the City of Lodi, San Joaquin County, California, a Resolution/Notice of Hearing declaring intention to annex territory into Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 and to provide for the levy and collection of assessments in such annexation, setting a time and place for a Public Hearing thereon and ordering the initiation of assessment ballot procedures (attached and marked as Exhibit A) was posted at the following locations:

Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 4, 2008, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

MARIA BECERRA
ADMINISTRATIVE CLERK



DECLARATION OF MAILING

RESOLUTION/NOTICE OF HEARING DECLARING INTENTION TO ANNEX TERRITORY INTO LODI CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1 AND TO PROVIDE FOR THE LEVY AND COLLECTION OF ASSESSMENTS IN SUCH ANNEXATION, SETTING A TIME AND PLACE FOR A PUBLIC HEARING THEREON, AND ORDERING THE INITIATION OF ASSESSMENT BALLOT PROCEDURES

On Thursday, April 3, 2008, in the City of Lodi, San Joaquin County, California, I deposited in the United States mail, envelopes with first-class postage prepaid thereon, containing Resolution/Notice of Hearing declaring intention to annex territory into Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 and to provide for the levy and collection of assessments in such annexation, setting a time and place for a Public Hearing thereon and ordering the initiation of assessment ballot procedures, attached hereto marked Exhibit A. The mailing list for said matter is attached hereto, marked Exhibit B.

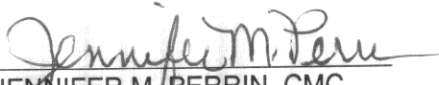
There is a regular daily communication by mail between the City of Lodi, California, and the places to which said envelopes were addressed.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 3, 2008, at Lodi, California.

ORDERED BY:

RANDI JOHL
CITY CLERK, CITY OF LODI


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

MARIA BECERRA
ADMINISTRATIVE CLERK

NOTICE OF PUBLIC HEARING

RESOLUTION NO. 2008-58

A RESOLUTION OF THE LODI CITY COUNCIL, STATE OF CALIFORNIA, DECLARING ITS INTENTION TO ANNEX TERRITORY INTO THE LODI CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1 AND TO PROVIDE FOR THE LEVY AND COLLECTION OF ASSESSMENTS IN SUCH ANNEXATION, SETTING A TIME AND PLACE FOR A PUBLIC HEARING THEREON, AND ORDERING THE INITIATION OF ASSESSMENT BALLOT PROCEDURES

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WHEREAS, the Lodi City Council, pursuant to the terms of the *Landscape and Lighting Act of 1972, Part 2, Division 15, of the California Streets and Highways Code (commencing with Section 22500) (the "1972 Act")*, *Article XIID of the Constitution of the State of California ("Article XIID")*, and the *Proposition 218 Omnibus Implementation Act (Government Code Section 53750 and following) (the "Implementation Act")* (the 1972 Act, Article XIID, and the Implementation Act are referred to collectively as the "Assessment Law"), did by previous Resolution initiate proceedings to annex territory into a special assessment district and ordered the preparation of an Engineer's Report for the levy of assessments within such proposed annexation, such special assessment district known and designated as "Lodi Consolidated Landscape Maintenance District No. 2003-1" (hereafter referred to as the "District"). The areas proposed to be annexed shall be known as the "Annexation" and will become Zones within the District. Such Zones shall be known and designated as:

ZONE 14 – LUCA PLACE
ZONE 15 – GUILD AVENUE INDUSTRIAL
ZONE 16 – WEST KETTLEMAN LANE COMMERCIAL

WHEREAS, at this time, the City Council desires to declare its intention to annex such territory into the District and to provide for the levy of assessments for the next ensuing fiscal year to provide for the costs and expenses necessary to pay for the maintenance of the improvements (defined below) in such Annexation; and

WHEREAS, there has been presented and preliminarily approved by this City Council the Engineer's Report, as required by the Assessment Law.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1: Recitals: The above recitals are all true and correct.

SECTION 2: Declaration of Intention: The public interest and convenience requires, and it is the intention of the City Council, to order the annexation of the above-described territory into the District and to levy and collect assessments to pay the annual costs and expenses for the maintenance and/or servicing of all of the improvements for the Annexation. Such improvements and the maintenance and servicing of such improvements are generally described as:

The improvements include: landscaping, planting, shrubbery, trees, turf, irrigation systems, lighting systems, street lighting, traffic signals, street sweeping, park maintenance, and associated appurtenant facilities.

The maintenance of the improvements shall include the furnishing of services and materials for all necessary service, operations, administration, and maintenance required to keep the improvements in a healthy, vigorous, and satisfactory condition.

SECTION 3: Boundaries of District: The improvements are of special benefit to the properties within the boundaries of the Annexation. The City Council previously declared the boundaries to encompass the area specially benefited by such improvements, and for particulars, reference is made to the assessment diagram as previously approved by the City Council, a copy of which is on file in the Office of the City Clerk and open for public inspection, and is designated by the name of this District.

SECTION 4: Report of Assessment Engineer: The Assessment Engineer's Report, as preliminarily approved by the City Council is on file with the City Clerk and open for public inspection. Reference is made to such Report for a full and detailed description of the improvements to be maintained, the boundaries of the District and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the Annexation.

SECTION 5: Public Hearing: Notice is hereby given that a Public Hearing is hereby scheduled to be held at **305 West Pine Street, Lodi, California, on May 7, 2008, at 7:00 p.m.**

All interested persons shall be afforded the opportunity to hear and be heard. The City Council shall consider all oral statements and all written communications made or filed by any interested persons. The City Council shall, at the conclusion of the Public Hearing, also determine whether assessment ballots submitted pursuant to the Assessment Law in opposition to the proposed assessments within the district exceed assessment ballots submitted in favor of such proposed assessments.

RIGHT TO SUBMIT ASSESSMENT BALLOT

Pursuant to the provisions of the Assessment Law, each record owner of property proposed to be assessed has the right to submit an assessment ballot in favor of or in opposition to the proposed assessment.

Assessment ballots will be mailed to the record owner of each parcel located within the Annexation and subject to a proposed assessment. Each such owner may complete such assessment ballot and thereby indicate their support for or opposition to the proposed assessment. All such assessment ballots may be delivered by mail or personal delivery to the City Clerk at the following address at or before 5:00 p.m. on May 7, 2008:

City Clerk
City of Lodi
221 West Pine Street
Lodi, California 95240

After 5:00 p.m. on May 7, 2008, assessment ballots may be delivered to the City Clerk only at the location of the Public Hearing given above (305 West Pine Street, Lodi, California).

All assessment ballots must be received by the City Clerk prior to the time that the Public Hearing is closed. An assessment ballot, which is delivered by mail with a postmark that is prior to the date and time of the Public Hearing but is not received by the City Clerk until after the Public Hearing is closed, will not be counted.

At the conclusion of the Public Hearing, the City Council shall cause the assessment ballots timely received to be tabulated. If a majority protest exists, the City Council shall not impose an assessment within the Annexation. A majority protest exists if, upon the conclusion of the Public Hearing, assessment ballots submitted in opposition to the assessments within the Annexation exceed the assessment ballots submitted in favor of such assessments. In tabulating the assessment ballots, the assessment ballots shall be weighted according to the proportional financial obligation of the affected property.

SECTION 6: Notice: The City Clerk is hereby directed to mail notice pursuant to the Assessment Law of the Public Hearing and assessment ballot proceedings and the adoption of the Resolution of Intention and of the filing of the Assessment Engineer's Report, together with the assessment ballot materials, to the record owners of all real property proposed to be assessed.

SECTION 7: Proceedings Inquiries: The following staff person is designated to respond to all inquiries for any and all information relating to the proposed Annexation and these proceedings, including the assessment ballot procedure:

RICK CLARK
NBS
32605 TEMECULA PARKWAY, SUITE 100
TEMECULA, CA 92592
TELEPHONE: 800-676-7516

Dated: April 2, 2008

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I hereby certify that Resolution No. 2008-58 was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


JENNIFER M. PERRIN
Deputy City Clerk

2008-58

EXHIBIT B*Landscape
Maintenance
Zone*

APN	Site Address	Owner Name	Mailing Address
027-420-09	1380 Westgate Drive	Costamagna Partners LP	PO Box 73 Woodbridge, CA 95258
031-330-10	1811 W. Kettleman Lane	R. Thomas Development, Inc., Etal	PO Box 1598 Lodi, CA 95241
049-080-81 049-080-82	1399 E. Turner Road 1390 E. Turner Road	Richard H. Kulka	4701 Sisk Rd., Ste. 101 Modesto, CA 95356
049-080-74	955 N. Guild Avenue	Gregory & Deidra Carpenter	940 E. Victor Road Lodi, CA 95240
049-340-38	1581 E. Victor Road	Vernon & Jenise Vierra	151 W. Taddei Road Acampo, CA 95220
058-160-86	1750 W. Kettleman Lane	Eagle Credit Union	PO Box 8266 Stockton, CA 95208